Extent of oil price Increase

† 703. SHRI RAM JETHMALANI:
SHRI RAJIV RANJAN SINGH 'LALAN':

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that prices of petrol and diesel have been increased at several times in the country since April, 2002;

(b) if so, at what times the prices were increased and to what extent the prices were increased; and

(c) the reasons for increasing the prices?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH GANGWAR): (a) to (c)The prices of petrol and diesel have been decontrolled effective 1st April, 2002. The oil companies are fixing the prices of these products after taking into account the prevalent international oil prices. As there was an increase in the international prices, the oil companies increased the retail selling price of petrol and diesel by around Rs. 2.50/ litre and Rs. 1.50/ litre respectively with effect from 4th June, 2002 and later by around Rs. 0.25/litre for each product with effect from 16th June, 2002.

Estimated revenue on increase in oil prices

704. SHRI AIMADUDDIN AHMED KHAN (DURRU):
DR. AKHILESH DAS:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether prices of petrol and diesel were further increased in the first week of June this year, if so, the details thereof;

(b) the reasons therefor and the estimated increase in revenue to be had thereby and how far it would reduce the deficit in bills; and

(c) whether with the increase in prices the excise duty leviable on petrol and diesel was decreased to counter the impact of rise in international prices of oil, if so, to what extent?

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†Original notice of the Question was received in Hindi.

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH GANGWAR): (a) to (c) On 1st March, 2002, the Government had reduced the retail selling price of petrol and diesel by around Rs. 1.00 per litre and Rs. 0.50 per litre respectively. Later, the oil companies increased the retail selling price of petrol and diesel by around Rs. 2.50 per litre and Rs. 1.50 per litre respectively from 4th June, 2002 and by around Rs. 0.25 per litre for each product from 16th June, 2002, taking into account the increase in the international oil prices.

Simultaneously, with a view to partially contain the impact of the increase in the average Indian crude oil basket price, from around US $ 19.50 per barrel for the month of February, 2002 to around US $25 per barrel for the month of May, 2002, on the retail price of petrol and diesel, the Government reduced the excise duty rate on these products by 2% each from 4th June, 2002.

Based on estimated June, 2002 sales volume, the aforesaid changes in prices would result in an increase in the revenue of the oil marketing companies by around Rs. 700 crore per month. As regards the reduction in the oil pool account deficit, with the dismantling of the Administered Pricing Mechanism (APM), the oil pool account has been wound up effective 1st April, 2002.

Propagation of changes in oil prices

705. SHRI RUMANDLA RAMACHANDRAIAH:
SHRI RAMACHANDRA KHUNTIA:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government propose to devise an effective system to communicate the changes in the prices of petrol and diesel so that retail outlets do not fleece customers;

(b) if so, the main features of the proposal; and

(c) if not, the reasons therefor keeping in view fortnightly changes in prices of Petrroleum Products under the new free market system?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLUEM AND NATURAL GAS (SHRI SANTOSH GANGWAR): (a) to (c) The public